

APPENDIX A

UNIVERSAL ANNUAL PAY ADMINISTRATION SUPPLEMENTA. GENERAL

Chapter III, "Position Classification, Pay and Allowances" requires that the rates of compensation of the UA salary system be commensurate with the rates of compensation of the GS. This Appendix provides additional policy and procedural guidance for pay administration of UA employees compensated under the UA salary system.

B. APPLICABILITY

This Appendix applies to all NAFI employees, worldwide, who are U.S. citizens, U.S. nationals, or permanent resident aliens in the United States who are employed within the United States and officially assigned to UA positions. (NOTE: NAFI employees in the Panama Canal Area are not assigned to UA positions.)

C . UNIVERSAL ANNUAL PAY SCHEDULES

1. The UA Pay Schedule shall have a grade structure that begins with UA-5 and continues through **UA-18**. The grades and steps of the annual salary structure shall be identical to grades GS-5 through GS-18 of the General Schedule. All limitations on maximum pay rates prescribed by the Office of Personnel Management (OPM) for the General Schedule shall apply to the UA pay rates as well. The pay period for an employee in a UA position shall normally cover two administrative workweeks. For pay computation purposes, it is necessary to convert annually scheduled rates of pay to basic hourly, daily, weekly, or bi-weekly rates, in accordance with the following rules:

a. To derive an hourly rate, divide the annual rate by 2087, the actual average number of working hours per year over the four years in the leap year cycle (i.e., 40 hours per week over 52.14 weeks during the normal years of the cycle plus proration over four years of the additional day of the leap year) .

b. To derive a daily rate; multiply the hourly rate by the daily hours of service actually required.

c. To derive a weekly or biweekly rate, multiply the hourly rate by 40 or 80, as the case may be, if these hours coincide with the weekly or biweekly scheduled working hours of the employee. **Employees** whose weekly or biweekly scheduled working hours are less than 40 or 80 shall have their weekly or bi-weekly pay computed to reflect actual scheduled hours of work.

2. All rates--hourly, daily, weekly, or biweekly--are computed to the nearest cent, counting one-half and over as a whole cent.

For example: Grade UA-9, Step 2 - \$22,531 per annum.
\$22,531 divided by 2087 equals \$10.7958, rounded to \$10.80.

Position A - 40 hours per week
 Biweekly hours = 80
 80 X \$10.80 = \$864.00

Position B - 32 hours per week.
 Biweekly hours = 64
 64 X \$10.80 = \$691.20

D. ADJUSTMENTS TO UA SCHEDULE

When the UA salary schedule is changed as a result of a change to the GS, employees' salaries shall be adjusted on a grade-by-grade, step-by-step basis. Salary adjustments shall be effective as of the first day **of** the first applicable pay period beginning on or after the effective date of the GS adjustment. Employees in an indefinite retained pay or a 2-year saved pay status shall receive increases in accordance with sections H. and I. of this Appendix.

E. INITIAL HIRE

Generally, initial hires shall be made at step 1 of the grade to which the employee has been hired.

1. Special Circumstances. The Head of the DoD Component may authorize hire of a person to a UA position at a higher step within the appropriate grade in recognition of a candidate's existing pay, unusually higher or unique qualifications, or a special need of the NAFI for his or her services.

2. Conversion. When an individual is being employed as the result of conversion of the position held by the incumbent from appropriated to nonappropriated funds, the entrance salary shall be fixed at the rate for the appropriate grade, which is equal to the rate paid in the previous position.

F. PROMOTION

1. Pay on Promotion. A UA employee who is promoted shall be paid at the lowest scheduled rate of the new grade that exceeds his or her existing scheduled rate of pay **by** no less than two step increments of the grade from which promoted. If there is no rate in the higher grade that is at least two step increments above his or her **existing** scheduled rate of pay, he or she shall receive (a) the maximum scheduled rate of the higher grade; or (b) his or her existing scheduled rate of pay if the existing scheduled rate of pay is higher. An employee who is promoted from an hourly paid position to a UA position shall be paid at the lowest step of the **UA** grade that equals or exceeds the employee's previous hourly rate, augmented by the difference between steps 4 and 5 of the employee's grade on the hourly rate schedule.

2. Exceptions. The following exception to the above pay setting practice is authorized for an hourly paid employee who is promoted to a supervisory or leader position that qualifies for inclusion in the **UA** category:

a. Leader Positions. When the base level of work led is AS-7 or **PS-7**, a leader position qualifies for inclusion in the UA salary plan. The step rate selected in the appropriate new **UA** grade **level** shall be determined in the following manner: The scheduled rate of pay shall be to the lowest step in the

new **UA** grade that results in an increase equal to but not less than the difference in the payline rate (step 2) between grades 6 and 7 of the local area prevailing rate pay schedule applying to the **AS/PS** base level of work led. If application of this procedure results in a base salary higher than that for the highest step of the new grade, the scheduled rate shall be to the highest step of the new grade.

b. Supervisor Positions. When the base level of work supervised is **AS-6/7** or **PS-6/7**, a supervisory position qualifies for inclusion **in** the **UA** salary plan. The step rate selected in the appropriate new **UA** grade shall be determined in the following manner: The scheduled rate of pay shall be to the lowest step in the **UA** grade that results in an increase equal to but not less than twice the pay difference in the pay line rate (step 2) between grades 6 and 7 of the local area prevailing rate pay schedule applying to the **AS/PS** base **leve** 1 of work supervised. If application of this procedure results in a base salary higher than that for the highest step of the new grade, the scheduled rate shall be to the highest step of the new grade.

3. Pay on Promotion in Retained Pay Situations. When an employee to be promoted is on retained pay, the pay he or she is entitled to on promotion shall be at least a two-step increment above the maximum rate of the salary range for the grade of the position from which promoted. When this calculation results in a rate less than the employees retained rate of pay, the employee is entitled to his or her retained rate of pay if such rate of pay is within the salary range for the grade of the position to which the employee is promoted. If the employee's retained rate of pay exceeds the salary range for the grade of the position to which promoted, entitlement to retained pay continues for the duration of the original 2 year period or until terminated by one of the specified conditions described in the pay retention policies of this Manual.

G. GENERAL PAY-FIXING GUIDES

1. Effective Date. The normal effective date of changes in pay rates shall be the beginning of the **1st** day of the first full pay period on or after the date of the change.

2. Simultaneous Pay Changes. When an employee becomes eligible for two pay changes at the same time, the changes shall be processed in the order **that** shall benefit the employee the most.

H. PAY RETENTION RESULTING FROM CONVERSION ACTIONS

A NAFI employee whose rate of pay was fixed above the maximum scheduled rate of his or her grade as a result of the initial conversion of his or her position to the DoD **UA** salary system, shall have his or her rate of pay retained indefinitely and adjusted in accordance with subchapter S.1O-7 of **FPM** Supplement 532-2.

I. TWO-YEAR SAVED PAY UNDER THE ONGOING PROGRAM

There is no grade retention for **UA** employees. Pay for a **NAF** employee moved to a lower grade **UA** position shall be determined and adjusted in accordance

with the provisions cited in Chapter III, subparagraphs B.2. d. (1) (b) and **B.2.d.(2)(c)**, of this Manual.

J. PAY ADJUSTMENTS FOR UA SUPERVISORS BASED ON SUPERVISION OF FWS, AS, OR PS EMPLOYEES

1. A NAFI may adjust the hourly pay of a UA supervisor to any rate for his or her grade that exceeds that of the highest hourly paid employee being supervised. Before **an** adjustment can be made, the NAFI shall determine that:

a. The supervisor's regular responsibilities include supervision over the technical aspects of the work of one or more hourly paid employees.

b. The hourly rate of the supervisor's scheduled rate of pay is less than the scheduled rate of the highest paid subordinate.

2. A supervisor regularly has responsibility for supervision when this responsibility is a continuing assignment reflected in his or her official position description.

3. A supervisor has regular responsibility for supervision (including supervision over the technical aspects of the work concerned) when he or she has frequent contact with the hourly paid employees in connection with assigned work, and when he or she personally or through an intermediate supervisor paid under one of the NAFI hourly pay plans, does the following:

a. Determines assignments or duties for individual hourly paid employees.

b. Evaluates the work of individual hourly paid employees when the reviews require a substantial subject matter or technical knowledge.

c. Plans and organizes work of individual hourly paid employees with primary emphasis on distribution of assignments, workloads, work item priorities, and schedules for timely completion of work items, projects, or cases.

d. Provides advice, assistance, counsel, or instructions to individual hourly paid employees.

e. Evaluates the performance of individual hourly paid employees.

f. Serves as the point of contact for discussion of problems arising from, or associated with, specific work products of the unit.

4. In comparing the scheduled rate for a supervisor with the rate of pay for an hourly paid **employee** supervised by him or her, the NAFI shall exclude from the hourly paid employee's rate any irregular prevailing rate, such as a retained rate or night shift differential.

5. The Head of the DoD Component concerned shall establish a detailed procedure for administering special adjustments to supervisor pay.

K. WITHIN-GRADE INCREASES

1. Step Increases. An employee whose performance has been determined acceptable, and who has completed creditable service since his or her last equivalent increase in accordance with the following table, shall receive a within-grade increase.

	Steps 1 /2/3	Steps 4/5/6	Steps 7/8/9
Calendar	52 weeks in	104 weeks	156 weeks
Weeks	each step	in each step	in each step

2. Creditable Service

a. Continuous full-time, part-time, temporary, and regularly scheduled intermittent NAFI employment is creditable service in the computation of a waiting period. Service credit is given for this employment during periods of annual, sick, and other leave with pay; advanced annual and sick leave; and service under a temporary appointment. Time in a nonpay status is creditable when it does not exceed, in the aggregate:

(1) Two workweeks in the waiting period for steps 2, 3, and 4.

(2) Four workweeks in the **waiting** period for steps 5, 6, and 7.

(3) Six workweeks in the waiting period for steps 8, 9, and 10.

b. Leave of absence is creditable when it is granted an employee because of an injury for which compensation is payable, as is service with the Armed Forces during a period of war or national emergency.

3. Equivalent Increase. A new waiting period must be started if the employee receives an "equivalent **increase.**" This equivalent increase is defined as an increase (or increases) in basic pay equal to or greater than the amount of the within-grade increment of the grade in which the employee is serving.

a. When an employee has served in more than one grade during the waiting period under consideration and it is necessary to determine whether he or she received an equivalent increase in a prior grade, an equivalent increase is an increase (or increases) in his or her scheduled rate of pay equal to or greater than the amount of the smallest within-grade increase for advancement between steps of the prior grade.

b. When an employee receives more than one increase in his or her scheduled rate of basic pay during the waiting period under consideration, none of which are equivalent increases, the first and subsequent increases are added until they amount to an equivalent increase, at which time he or she is considered to have received an equivalent increase.

c. The waiting period "under consideration" is that immediately preceding an employee's current entry into the rate of the grade in which he or she is now serving.

d. Increases not counted as equivalent increases are **salary** increases for UA employees resulting from a statutory increase for GS employees; wage increases granted under a wage system; increases resulting from the establishment of higher minimum pay rates by the **OPM**; quality step increases; territorial and foreign post differentials and cost of living allowances; and premium pay for overtime, night, or **holiday** duty.

(1) The waiting period for earning a within-grade increase during temporary promotion begins on the date of the temporary promotion and not on the date of the last equivalent increase in the regular grade.

(2) Upon being returned to the regular grade, an employee who was temporarily promoted is placed in the rate and given the waiting period credit that the employee would **be** entitled to if the employee had remained in the lower grade.

L. QUALITY STEP INCREASES

Heads of DOD Components may authorize quality step increases to recognize and reward those regular UA employees who display continuing high quality performance.

M. IDENTIFICATION OF **EXEMPT** AND NONEXEMPT UA POSITIONS

In accordance with Chapter III, subparagraph **B.2.d.(2)(b)**, in those geographical areas covered by the **FLSA**, as amended, UA position descriptions containing executive, administrative, and professional duties shall be annotated as "Exempt." Those position descriptions which do not meet the tests for exemptions pursuant to section 13(a)(1), **FLSA**, as amended, and as prescribed in FPM Letters, 551 series shall be annotated "Nonexempt."

N. OVERTIME AND OTHER PREMIUM PAY

1. Overtime

a. UA employees employed in geographical areas covered by the **FLSA** shall have their pay set in accordance with the following rules:

(1) Exempt Employees. No UA employee identified as exempt may be paid overtime pay or given compensatory time off for work in excess of 40 hours in an administrative workweek, unless the overtime pay or compensatory time off is specifically authorized in advance by the employee's supervisor. The doctrine of compensation for hours "permitted or suffered" to **be** worked in excess of 40 hours in an administrative workweek will not apply. Overtime rates and compensatory time off shall be determined by application of the GS rules.

(2) Nonexempt Employees. UA employees identified as nonexempt shall be paid overtime in consonance with the overtime provisions established for nonexempt appropriated fund employees paid on the GS.

b. **UA** employees who are exempt from coverage under the FLSA by virtue of geographical location of their positions shall not be paid overtime or given compensatory time off unless they have been specifically directed to work in excess of 40 hours in an administrative workweek. Overtime rates and compensatory time off shall be determined by application of the GS rules.

2 . Other premium pay

a. Night pay differential shall be paid to **UA** employees under the same pay administration rules as those applicable to GS employees.

b. Holiday premium pay shall be paid to **UA** employees under the same pay rules as those applicable to GS employees.

c. Sunday premium pay shall be paid to **UA** employees under the same rules as those applicable to GS employees.

o. DETAILS

Details of a **UA** employee to perform the duties of another position, as distinguished from actually being appointed or assigned to the position, shall be governed by paragraph **B.2.1.**, Chapter II, of this Manual. Employees who are improperly detailed to higher grade positions shall be allowed retroactive temporary promotions with **backpay**. A **UA** employee temporarily assigned to work of a higher grade may be temporarily promoted to the higher grade under the merit promotion and staffing program and given the pay of that position.